

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: March 16, 2004

SUBJECT: Fiscal Impact Statement: "Washington Metropolitan Area
Transit Authority Property Dedication Transfer Tax
Exemption Emergency Act of 2004"

REFERENCE: Draft Resolution as Introduced - No Number Available

Conclusion

Funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to enact the "Washington Metropolitan Area Transit Authority (WMATA) Property Dedication Transfer Tax Exemption Emergency Act of 2004".

Background

The proposed resolution would waive the transfer tax on a parcel of land donated to WMATA. This parcel, Square 0712, Lot 0112, is 238,087 square feet, owned by Union Station Associates, LTD and assessed at \$44,998,500 for tax year 2005. Ten percent (23,826 sq ft) of the site would be donated for the New York Avenue Metro Station and 6 percent (13,401 sq ft) of the site would be donated for the Metropolitan Bike Trail. Union Station Associates would retain the remainder of the parcel.

Financial Plan Impact

The value of the land being donated to WMATA is approximately \$7.2 million. Waiving the transfer tax on this parcel of land would result in a reduction of \$108,000 (or 1.5 percent of its fair market value) in deed transfer taxes that would otherwise be collected by the District. Because the value of the land being transferred to the District instrumentality is far greater than the amount of forgone taxes, funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to enact the proposed legislation.